



General Assembly

Substitute Bill No. 504

February Session, 2004

* SB00504FIN__040704__ *

**AN ACT REQUIRING INDEPENDENT FINANCIAL ANALYSIS FOR
URBAN REINVESTMENT ACT PROJECTS THAT REQUIRE
LEGISLATIVE OVERSIGHT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (f) of section 32-9t of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (f) (1) The commissioner shall determine whether the project in
5 which the proposed investment is to be made is an eligible urban
6 reinvestment project or an eligible industrial site investment project,
7 whether the project is economically viable only with use of the urban
8 and industrial site reinvestment program, the effects of the project on
9 the municipality where the investment will be made, and whether the
10 project would provide a net benefit to economic development and
11 employment opportunities in the state and whether the project will
12 conform to the state plan of conservation and development. The
13 commissioner may require the applicant to submit such additional
14 information as may be necessary to evaluate the application.

15 (2) [The] For any project that would result in the granting of a tax
16 credit of not less than five million dollars and not more than twenty
17 million dollars for a single investment, the commissioner shall prepare
18 a revenue impact assessment that estimates the state and local revenue

19 that would be generated as a result of the project [. The] and the
20 commissioner shall prepare an economic feasibility study relative to
21 such project. Such study and assessment shall include, but not be
22 limited to, a description of the plans for such project and the parties
23 involved in such project and shall be provided to the joint standing
24 committees of the General Assembly having cognizance of matters
25 relating to commerce and finance, revenue and bonding. The
26 commissioner may retain any such persons as the commissioner deems
27 appropriate to conduct such revenue impact assessment or economic
28 feasibility study. In the case of a project that would result in the
29 granting of a tax credit in excess of twenty million dollars in total for a
30 single investment, the commissioner shall retain the services of an
31 independent financial analyst who shall conduct an independent
32 financial analysis of such project and prepare a certified report
33 including, but not limited to, findings on the state and local revenue
34 that would be generated as a result of the project and the economic
35 feasibility of the project.

36 Sec. 2. Subsection (q) of section 32-9t of the general statutes is
37 repealed and the following is substituted in lieu thereof (*Effective from*
38 *passage*):

39 (q) Any tax credits approved under this section that would
40 constitute in excess of twenty million dollars in total for a single
41 investment shall be submitted by the Commissioner of Economic and
42 Community Development to the joint standing committee of the
43 General Assembly having cognizance of matters relating to finance
44 prior to the issuance of a certificate of eligibility for such investment.
45 Said commissioner shall make a recommendation to the president pro
46 tempore of the Senate and to the speaker of the House of
47 Representatives regarding approval or disapproval of such project not
48 later than thirty days after receiving such submission and shall include
49 a copy of any certified report prepared by an independent financial
50 analyst, pursuant to subdivision (2) of subsection (f) of this section, as
51 part of said commissioner's recommendation. If such submission is not
52 disapproved by the House of Representatives or the Senate, or both,

53 within sixty days of the submission date, the commissioner may issue
54 such certificate.

55 Sec. 3. Subsection (g) of section 32-9t of the general statutes, as
56 amended by section 77 of public act 03-6 of the June 30 special session,
57 is repealed and the following is substituted in lieu thereof (*Effective*
58 *from passage*):

59 (g) (1) The commissioner, upon consideration of the application, the
60 revenue impact assessment and any additional information that the
61 commissioner requires concerning a proposed investment, including
62 but not limited to, any applicable independent financial analysis
63 prepared pursuant to subsection (f) of this section, may approve an
64 investment if the commissioner concludes that the project in which
65 such investment is to be made is an eligible urban reinvestment project
66 or an eligible industrial site investment project. If the commissioner
67 rejects an application, the commissioner shall specifically identify the
68 defects in the application and specifically explain the reasons for the
69 rejection. The commissioner shall render a decision on an application
70 not later than ninety days from its receipt. The amount of the
71 investment so approved shall not exceed the greater of: (A) The
72 amount of state revenue that will be generated according to the
73 revenue impact assessment prepared under this subsection; or (B) the
74 total of state revenue and local revenue generated according to such
75 assessment in the case of a manufacturing business with standard
76 industrial classification codes of 3999, 2099, 2992 and 2834 which is
77 relocating to a site in Connecticut from out-of-state, provided the
78 relocation will result in new development of at least seven hundred
79 twenty-five thousand square feet in a state-sponsored industrial park.

80 (2) The approval of an investment by the commissioner may be
81 combined with the exercise of any of the commissioner's other powers,
82 including, but not limited to, the provision of other forms of financial
83 assistance.

84 (3) The commissioner shall require the applicant to reimburse the

85 commissioner for all or any part of the cost of any revenue impact
 86 assessment, economic feasibility study, independent financial analysis
 87 or other activities performed in the exercise of due diligence pursuant
 88 to subsection (f) of this section.

89 (4) There is established an account to be known as the "Connecticut
 90 economic impact and analysis account" which shall be a separate,
 91 nonlapsing account within the General Fund. The account shall
 92 contain any moneys required by law to be deposited in the account
 93 and shall be held separate and apart from other moneys, funds and
 94 accounts. There shall be deposited in the account any proceeds
 95 realized by the state from activities pursuant to this section.
 96 Investment earnings credited to the account shall become part of the
 97 assets of the account. Any balance remaining in the account at the end
 98 of any fiscal year shall be carried forward in the account for the next
 99 fiscal year. Amounts in the account may be used by the Department of
 100 Economic and Community Development to fund the cost of any
 101 activities of the department pursuant to this section, including
 102 administrative costs related to such activities.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>
Sec. 3	<i>from passage</i>

CE *Joint Favorable Subst.*

FIN *Joint Favorable*